



TED ZIGMUNT

STATE REPRESENTATIVE

Testimony In favor of Wellness Bill (AB 699)

Assembly Committee on Insurance

February 11, 2010

Chairman Cullen and members of the Assembly Insurance Committee; thank you for allowing me to testify before you today.

With healthcare costs continuing to rise across the state and nation, it is important to find practical ways to reduce these costs to consumers. AB699 allows an insurer to advertise, market, offer, or operate a wellness program without violating an unfair trade or marketing practice. Some examples of wellness programs include: weight loss programs, smoking cessation classes and health education seminars.

Incentive-based programs offer rewards to participating individuals. Ultimately, these programs contribute to lower long-term healthcare costs. Examples of wellness program incentives include premium discounts or rebates, contributions towards a member's health savings account, modifications to copayment, deductible or coinsurance amounts, or any combination of financial incentives used to encourage or reward participation in the program.

AB699 will allow insurers to provide incentives to enrollees who participate in a wellness program. The wellness program incentives must be made available to everyone and the program must provide reasonable alternative standards for persons with medical conditions that make it medically unadvisable for them to participate in the program standard.

Date: February 11, 2010

To: Assembly Committee on Insurance

From: Larry Rambo, Humana

Re: AB 699 exempting wellness programs from unfair trade or marketing practices

Good Morning, Chairman Cullen and members of the committee, my name is Larry Rambo and I am the Regional CEO for Humana. On behalf of Humana, a health benefits company that provides coverage to more than 400,000 Wisconsin residents, I appreciate the opportunity to participate in today's discussion and commend Representative Ted Zigmunt and Senator Jim Sullivan for sponsoring legislation to promote health and wellness in our state.

Current federal Health Insurance Portability and Accountability Act (HIPAA) nondiscrimination rules provide protections to ensure wellness programs do not unfairly discriminate on the basis of health factors. AB 699 would follow these same protections and would extend this security to all employees.

- We must provide wellness program incentives to everyone and ensure reasonable alternatives for persons with medical conditions that make it medically inadvisable for them to participate or satisfy the program standard.
- Furthermore, HIPAA includes privacy and security requirements that extend to personal health information (PHI) collected by individual and group health plan insurers, health care providers, and their contracted business associates or delegated vendors.
- Also, the federal Americans with Disabilities Act requires that we treat wellness program information confidentially, separate from employer personnel files and only accessible to wellness program personnel

AB 699 would modify state law to explicitly allow health plans to market and offer wellness programs to Wisconsin residents with group or individual products. Humana supports creating flexibility in state law that allows insurers and employers to offer voluntary incentive-based wellness programs. We have enjoyed great success in our own wellness offerings for employees and customers. To help increase daily physical activity, Humana offers our employees in downtown Louisville, Kentucky, free access to self-service Trek bike kiosks. On an average day, 22 percent of these employees check out the bikes rather than drive to their destinations

Humana has experience with various wellness programs, including an innovative physical activity program that encourages consumers to track their healthy choices and earn rewards and incentives. Programs such as these are typically integrated into employee wellness programs. Participants receive a USB-capable pedometer that counts steps and uploads the data to a dedicated online program, allowing users to chart their progress and earn points that translate to cash incentives. Programs often utilize dedicated web sites to collect biometric data, such as blood pressure, weight, body fat, age, and body mass index (BMI). Recent results show that at baseline, 59 percent of Humana participants were inactive (compared to 60% of the average U.S. population); 69 percent of Humana participants were overweight or obese (compared to the national average of 66 percent), and only 20 percent had hypertension (compared to 30 percent nationally). After six months:

- 38 percent of participants improved from inactive to a healthier activity level;
- 23 percent achieved a healthier blood pressure level;
- 21 percent lowered their BMIs by 1.5 points or more; and
- 63 percent of participants decreased body fat

Wisconsin Association of Health Plans

DATE: February 11, 2010

TO: Members, Assembly Committee on Insurance

RE: Support for AB 699 - Exempting Wellness Programs
From Unfair Trade or Marketing Practices

The Wisconsin Association of Health Plans supports Assembly Bill 699 and commends Representative Ted Zigmunt for his efforts to promote participation in wellness programs and reduce health care costs for Wisconsin's residents.

Current state law considers it an unfair trade practice when a health plan pays, allows, gives, or offers to pay, allow or give, directly or indirectly, anything of value as an inducement to purchasing insurance coverage unless the item of value is specified in the insurance policy. Because wellness programs are not insured benefits, they are not allowed to be marketed or disclosed along with insurance benefits.

Many health plans in Wisconsin currently have been allowed to offer wellness programs through limited exemptions. Assembly Bill 699 will modify state law to explicitly allow health plans to market and offer wellness programs to Wisconsin residents.

Wellness programs help promote healthier lifestyles and reduce long-term health care costs by encouraging people to exercise more often, eat healthier, and be more conscious about their personal lifestyle and behavioral choices.

Reimbursement for fitness classes, rewards for reaching workout goals, discounts for participating in healthy cooking or healthy lifestyle classes, and incentive-based programs for weight loss and smoking cessation are just a few examples of the wellness incentives being offered by health plans in Wisconsin.

As we continue to look for ways to reduce health care costs and overutilization of health care services, this legislation would make it clear that promoting healthy lifestyles and encouraging healthy habits are valuable tools in that effort.

The Wisconsin Association of Health Plans appreciates committee members' support for Assembly Bill 699.

The Wisconsin Association of Health Plans represents 16 health plans that, with their affiliated organizations, serve more than 3 million Wisconsin residents.

Member Health Plans: Abri Health Plan • Anthem Blue Cross and Blue Shield • Arise Health Plan • Children's Community Health Plan, Inc. • Dean Health Plan • Group Health Cooperative of Eau Claire • Group Health Cooperative of South Central Wisconsin • Humana, Inc. • Independent Care Health Plan • Managed Health Services • MercyCare Health Plans • Network Health Plan • Physicians Plus Insurance Corp. • Security Health Plan • UnitedHealthcare of Wisconsin, Inc. • Unity Health Plans Insurance Corp.



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Wellness – TRUE Health Care Reform

Position Statement – January 2010

As a nation the United States spends more on health care than any other country in the world. However, at the same time we also have the largest population of individuals with chronic medical conditions. According to the Rand Corporation over 47 percent of our population has a chronic medical condition. A chronic medical condition can be defined as an ongoing medical condition that generally requires treatment for 12 to 18 months if not over a lifetime. These diseases are often preventable and frequently treatable through better lifestyle choices, exercise and diet.

The statistics are staggering when you look at the cost of treating Americans with chronic medical conditions. They account for:

- 81% of hospital admissions
- 91% of all prescription drugs filled
- 76% of all physician office visits

The popular television show, "Biggest Loser" has demonstrated that these chronic medical conditions can be reversed if the individual takes control of their life again. Many of the successful contestants are no longer being treated for a variety of chronic medical conditions often including diabetes, high blood pressure, high cholesterol, and gastro reflux disease. Employers have seen the true value of promoting wellness among their work force and providing a path to greater self control over their lifestyle choices. However, for these initiatives to succeed state government should not be a barrier to their success. We need to create a safe-harbor for those employers that take action to promote wellness

Encourage Wellness Plans for Private Sector Employers

We believe lawmakers should do everything possible to enable employers to provide benefit incentives and premium flexibility through legal protections and tax breaks to enable them to implement smoking, drug, alcohol and wellness programs to encourage healthy lifestyles of employees and their families.

Implement Wellness Plans for All State Employees

As the state's largest employer, the state should implement a wellness plan for all state employees and municipal employees insured through the current ETF program; including health screening for all existing employees and all new hires. There are a myriad of wellness vendors operating in the state and we should use the same bid process in finding competitive health insurance plans to find competitive wellness vendors.

<http://www.fightchronicdisease.org/pdfs/ChronicDiseaseFactSheet.pdf>